

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Chapter 11 Debtors and Debtors-in-Possession*

In Re:

AMBOY GROUP, LLC, *et. al.*,¹

Debtors.

Case No. 17-31653

(Joint Administration Pending)

Judge: Christine M. Gravelle

Chapter 11

Hearing Date: TBD

Obj. Deadline: TBD

**CERTIFICATION OF LOGAN McNAMARA
IN SUPPORT OF FIRST DAY APPLICATIONS AND MOTIONS**

I, Logan McNamara, of full age, hereby certify as follows:

1. I am the Controller of Amboy Group, LLC ("Amboy Group"), the debtor-in-possession in the above-captioned chapter 11 case, and in that capacity, I am fully familiar with Amboy Group's daily operations and books and records, and submit this certification in support of the first day applications and motions (the "First Day Motions") filed in Amboy Group's chapter 11 case and the companion and contemporaneously filed chapter 11 case of CLU Amboy, LLC ("CLU Amboy," and together with Amboy Group, the "Debtors").

¹ The Debtors in these cases, along with the last four digits of their federal tax identification numbers are: (i) Amboy Group, LLC (8971) and (ii) CLU Amboy, LLC (5726).

2. I have been Amboy Group's Controller since July 1, 2014, and my duties include preparing financial reports, authorizing payments to vendors, reconciling bank statements, generating payroll, human resources, and providing support to operations on an as needed basis. Additionally, as part of my job, I am familiar with the books and records of CLU Amboy.

3. This Certification, in conjunction with the Certification of the Debtors' Managing Member, William Colbert, is intended to provide the Court and parties-in-interest with an understanding of the Debtors' businesses and the circumstances that precipitated the Debtors' bankruptcy filings, as well as to support various the factual bases for the First Day Motions that have been filed in connection with the Debtors' bankruptcy filings. The First Day Motions are necessary to facilitate an orderly and effective transition into Chapter 11 while minimizing the disruption to the Debtors' business operations.

4. Unless otherwise stated, all facts set forth herein are based on my personal knowledge, my review of relevant documentation of the Debtors, information provided to me by the Debtors' employees and professionals, or my opinion based on my experience and knowledge with respect to the operations and financial affairs of the Debtors.

5. This Certification will provide specific information with respect to various aspects of the Debtors' businesses.

A. Utilities at the Debtors' Facility.

6. As noted more particularly in William Colbert's certification, Amboy Group operates a food processing and cold storage facility located at 1 Amboy Avenue, Woodbridge, New Jersey 07095 (the "Facility"), and specializes in manufacturing and distributing Irish and Italian meat products throughout the United States. The Facility is owned by CLU Amboy. Amboy Group operates its business at the Facility pursuant to a commercial lease with CLU

Amboy dated January 1, 2013. Among other things, the lease provides Amboy Group is responsible for all utilities and services incurred in connection with the Facility.

7. In connection with operating its business, the Debtor purchases the following utilities and services (the entities listed in the table below are collectively the “Utility Companies”):

<u>Provider</u>	<u>Service</u>	<u>Average Bill</u> ²	<u>Current Balance</u>	<u>Proposed Deposit</u>
Elizabethtown Gas	Gas	\$1,874.24	\$2,875.26	\$937.12
Middlesex Water Company ³	Water	\$1,459.71	\$5,976.63	\$729.86
PSE&G	Electricity	\$34,375.35	\$62,198.77	\$17,187.68

8. The total amount currently due to the Utility Companies is \$71,050.66.

9. As noted in the table in paragraph 7 above, the Debtor proposes to pay certain deposit amounts to each of the Utility Companies as adequate protection for continuing service. The deposit amounts stated are equal to 50 percent of the average monthly bill from the respective Utility Company over the previous twelve (12) months, dating back to October 2016. The total amount of the proposed deposits is \$18,854.66. In addition to the deposit amounts, the Debtor intends to pay all post-petition utility bills as they come due.

10. The services provided by the Utility Companies are vital to the ongoing operations of the Debtor. If the utility companies are permitted to terminate services, Amboy Group’s operations will be irreparably harmed and its ability, along with the ability of CLU Amboy, to reorganize will be severely compromised.

² The “average bill” is based on the amounts billed by the utility provider over the previous twelve (12) months, although the average for Elizabethtown Gas does not include the bill for September 2017, as that bill had not yet been received by the Debtor as of the date of this Certification.

³ The Debtor has three accounts with Middlesex Water Company, and the figures stated in the chart constitute aggregates of those accounts.

B. The Debtors' Bank Accounts

i. Amboy Group

11. On the Petition Date, Amboy Group maintained the following seven (7) bank accounts:

a. An operating account at Connect One Bank ("Connect One"), ending in 4953 (the "Connect One Operating Account"). Prior to the Petition Date, the Connect One Operating Account was Amboy Group's primary bank account, which held all deposits of Amboy Group's customers and other money received by Amboy Group, and was used to make payments to vendors and for general operating expenses. As of the Petition Date, the Connect One Operating Account has a balance of \$6,622.93.

b. A payroll account at Connect One, ending in 9434 (the "Connect One Payroll Account"). Prior to the Petition Date, the Connect One Payroll Account was the primary account used to make payment to Amboy Group's employees. As of the Petition Date, the Connect One Payroll Account has a balance of \$10,898.74.

c. An operating account at Signature Bank, ending in 4532 (the "Signature Bank Operating Account"). Prior to the Petition Date, the Signature Bank Operating Account was used to make payments to certain vendors and for certain expenses. As of the Petition Date, the Signature Bank Operating Account has a balance of \$131,632.16.

d. An operating account at Valley National Bank ("VNB"), ending in 3838 (the "VNB Operating Account"). Amboy Group was required by secured lender, VNB, to maintain the VNB Operating Account, and the account was used to make payments to certain vendors and for certain expenses. As of the Petition Date, the VNB Operating Account has a balance of \$0.79.

e. An operating account at Bank of Montreal ("Montreal"), ending in 235.

f. An operating account at Montreal, ending in 569.

g. A merchant account at Paypal.

ii. CLU Amboy

12. I am also familiar with CLU Amboy's bank accounts. On the Petition Date, CLU Amboy maintained the following two (2) bank accounts:

- a. An operating account at Connect One, ending in 2912 (the “CLU Connect One Operating Account”). Prior to the Petition Date, the Connect One Operating Account was CLU Amboy’s primary bank account, which held all deposits from Amboy CLU’s tenants, and was used to pay CLU Amboy’s general operating expenses and vendors. As of the Petition Date, the CLU Connect One Operating Account has a balance of \$224.00.
- b. An operating account at VNB, ending in 3846 (the “CLU VNB Operating Account”). CLU Amboy was required by secured lender, VNB, to maintain the CLU VNB Operating Account, and the account was used to pay certain operating expenses. As of the Petition Date, the CLU VNB Operating Account has a balance of \$0. This account has been closed.

C. Business Forms

13. In the ordinary course of its business, the Debtors use numerous varieties of business forms. Such business forms include paychecks, vendor checks, sales orders, bill of ladings, item fulfillments, invoices and purchase orders. The Debtors intend to use such forms in their current state.

D. Employee Obligations and Claims

i. Compensation

14. As of the Petition Date, Amboy Group has approximately sixty-three (63) full-time employees. This figure has remained fairly consistent during the prior year. Of Amboy Group’s employees, fifty-four (54) are paid on an hourly basis and nine (9) are salaried employees who work in the Administrative, Production, Warehouse and Sales departments of the company. All of Amboy Group’s employees are located at the Facility. Mr. Colbert did not receive a salary.

15. Amboy Group pays the following employee obligations on a weekly and monthly basis:

<u>Employee Obligation</u>	<u>Provider</u>	<u>Petition Date Balance</u>	<u>Weekly Payment Due*</u>	<u>Monthly Payment Due*</u>	<u>Employee Obligation Totals on a Monthly Basis*</u>
Employee Wages (Sales, Warehouse, Production and Administration)	Through ADP	\$21,639.64	approximately \$33,000		
Payroll Taxes	Through ADP	\$7,692.27	approximately \$11,239.52		
Payroll Administrative Charges	ADP	\$530.00		approximately \$265.00	
Employee Health Insurance	MagnaCare	\$0.00		approximately \$3,430.02	
McNamara Health Insurance	Horizon Blue Cross/Blue Shield	\$0.00		\$917.35	
Worker's Compensation	MEMIC	\$	approximately \$2,800.00		
Employee Expenses	Westlake Financial Services (Van	\$0.00		\$412.09	
Employee Expenses	Commuter Reimbursement	\$	\$296.15		
TOTAL		\$\$\$	\$58,335.67	\$5,024.46	\$238,367.14*

* Based on averages.

16. Amboy Group's next payroll is scheduled to be processed on Thursday, October 26, 2017 and checks distributed on Friday, October 27, 2017. That payroll will cover the pay period from October 15, 2017 through October 21, 2017. In the ordinary course, Amboy Group processes its payroll on Thursday of each week and covers the pay period for one week ending the prior Saturday. Thus, all of Amboy Group's next payroll will encompass pre-petition wages owed to the Employees. Amboy Group's average weekly payroll, based on 2017 payroll to date, is approximately \$44,000.00 per week.

17. Amboy Farms, a non-debtor affiliate of Amboy Group, advances monies to Amboy Group. Amboy Farms is a customer of Amboy Group and tenders payment for goods it receives from Amboy Group.

18. In or around May 12, 2017, just over five (5) months prior to the Petition Date, Amboy Group contracted with ADP, Inc. ("ADP") to provide certain payroll processing services. Specifically, ADP administers Amboy Group's weekly payroll by issuing the payroll checks, written on ADP checks, to the employees. Additionally, ADP is contracted to calculate, withhold, collect and transfer or remit all federal, state and local payroll taxes on wages and other deductions, as discussed below. Amboy Group pays ADP approximately \$265.00 per month for its administrative services. As of the Petition Date, approximately \$530.00 is owing to ADP for September and October 2017. It is anticipated that Amboy Group will continue to require ADP's services to prepare tax reporting, such as W-2s, when appropriate.

19. Amboy Group does not in the ordinary course pay bonuses to employees, but does pay commissions, equivalent to 3% of the company's gross sales generated from any customer that an employee introduced to the company. Any commissions earned are paid with that employee's wages on the first payroll period following the 15th of the month.

20. As of the Petition Date, Amboy Group's employees are owed approximately \$27,929.35 or \$38,399.24 (includes payroll taxes) in wages, salaries and commissions for work performed from and after October 8, 2017. Based on the payroll process established with ADP, Amboy Group expects that ADP will furnish employees with a post-petition check covering the period from October 15, 2017 through October 21, 2017, which the Debtors anticipate will be paid on or shortly after the Petition Date. In total, and as more fully set forth in the First Day Motions,

Amboy Group requires authority to pay employee claims in an amount not to exceed \$12,850 and to continue to pay post-petition costs associated with the employee claims.

21. With respect to paid leave, Amboy Group's employees are entitled to one-week of paid vacation after one year of employment with the company and two weeks of paid vacation after two years of service. The maximum allowable vacation time is two weeks and vacation time does not carry over from year to year. This policy may not apply to certain salaried employees who might have negotiated their own salary and benefits compensation with Amboy Group.

22. As of the Petition Date, Amboy Group does not owe any severance or sick leave pay, but the Debtor's Employees would be entitled to such days off in the ordinary course of business.

23. ADP deducts payroll and other standard taxes (the "Payroll Deductions") from the paychecks of Amboy Group's employees. ADP forwards amounts equal to the Payroll Deductions from the Connect One Payroll Account to the appropriate third-party recipients. In addition, Amboy Group is responsible for remitting, for its own account, various taxes and fees associated with payroll pursuant to the FICA and federal and state laws regarding unemployment and disability taxes (the "Payroll Taxes"). The combined employee and employer payroll taxes average, on a weekly basis, approximately \$11,239.52. As of the Petition Date, the Amboy Group is current on all Payroll Taxes.

ii. Health Insurance

24. Prior to the Petition date, Amboy Group offered health insurance coverage to all of its employees, through a Minimum Essential Care Plan administered MagnaCare (the "Employee Health Plan"), for which the Debtor pays 100% of the Employees' coverage directly to MagnaCare.

25. Eligibility for the Employee Health Plan begins on the first of the month following three (3) months of an employee's continuous employment with Amboy Group. For example, if an employee begins work on April 1, 2017, he/she would be eligible for coverage under the Employee Health Plan on July 1, 2017. If an employee begins on April 2, 2017, he/she does not become eligible for coverage under the Employee Health Plan until August 1, 2017.

26. Payments for the Employee Health Plan are due on a monthly basis in the approximate amount of \$3,430.02,⁴ or approximately \$51.97 per Employee per month. The Health Plan is paid current through October 2017. As of the Petition Date, I am not aware of any unpaid claims on the Employee Health Plan and no COBRA obligations are due.

27. Additionally, Amboy Group pays for health insurance coverage for my wife, who is also an employee of Amboy Group, and me through a plan administered by Horizon Blue Cross Blue Shield (the "Horizon Policy"). This plan was specifically negotiated as part of my compensation package. Payments are due on a monthly basis in the approximate amount of \$917.35. As of the Petition Date, there are no unpaid claims under the Horizon Policy and it is paid through October 2017.

28. The combined amount of the monthly premiums for the Employee Health Plan and the Horizon Policy are \$4,347.37.

iii. Worker's Compensation

29. Amboy Group maintains a worker's compensation benefits program through Maine Employers' Mutual Insurance Company ("MEMIC") (the "Workers Comp Policy"), which includes coverage for injury claims arising from or related to their employment with Amboy Group. Amboy Group is obligated to pay the premiums for the Workers Comp Policy on a weekly

⁴ This amount may vary from month to month depending on the number of covered Employees.

basis in the approximate amount of \$2,800.00. In the ordinary course, Amboy Group pays MEMIC directly from its operating account. As of the Petition Date, Amboy Group is current with all expenses in connection with the Workers Comp Policy. I am not aware of any claims that have been incurred against the Workers Comp Policy that remain unpaid.

iv. Employee Reimbursement

30. Amboy Group directly or indirectly reimburses its employees for certain expenses incurred in the ordinary course of Amboy Group's business operations and in the scope of their employment. Reimbursable expenses include, without limitation, expenses for meals, travel, automobile mileage and other business-related expenses.⁵

I certify that the foregoing statements made by me are true and I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

By: /s/ Logan McNamara
Logan McNamara

Dated: October 25, 2017

4826-0405-0258, v. 1

⁵ Specifically, one employee drives a minivan to commute to work each day, which is paid for by Amboy Group. Additionally, that employee's commuting expenses are reimbursed by Amboy Group through the payroll process because he drives several other of Amboy Group's many miles to work each day. The weekly commuting expense that is reimbursed to this employee through his payroll is \$296.15.